

**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
CONSUMER SERVICES DIVISION**

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Consumer Loan Act of Washington by:

NO. C-03-135-03-CO01

VALENTINE LENDER SERVICES, INC., and
MICHAEL SILBERNAGEL, President and Owner,

CONSENT ORDER

Respondents.

COMES NOW the Director of the Department of Financial Institutions (Director), through her designee Chuck Cross, Acting Division Director, Division of Consumer Services, and Valentine Lender Services, Inc. and President and Owner Michael Silbernagel (hereinafter collectively as "Respondents"), and finding that the issues raised in the captioned matter may be economically and efficiently settled, agree to the entry of this Consent Order. This Consent Order is entered pursuant to chapter 31.04 of Revised Code of Washington (RCW), and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

AGREEMENT AND ORDER

The Department of Financial Institutions, Division of Consumer Services (Department) and Respondents have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-03-135-03-SC01, entered August 15, 2003, (copy attached hereto). Pursuant to chapter 31.04 RCW, the Consumer Loan Act (Act) and RCW 34.05.060 of the Administrative Procedure Act, Respondents hereby agree to the Department's entry of this Consent Order and further agree that the issues raised in the above captioned matter may be economically and efficiently settled by entry of this Consent Order. The parties intend this Consent Order to fully resolve Statement of Charges No. C-03-135-03-SC01, entered August 15, 2003.

Based upon the foregoing:

A. **Jurisdiction.** It is AGREED that the Department has jurisdiction over the subject matter of the activities discussed herein.

CONSENT ORDER

1 **B. Waiver of Hearing.** It is AGREED that Respondents have been informed of the right to a hearing before
2 an administrative law judge, and that they have waived their right to a hearing and any and all administrative and
3 judicial review of the issues raised in this matter, or of the resolution reached herein.

4 **C. Consumer Loan License.** It is AGREED that Respondents have voluntarily surrendered their consumer
5 loan license to the Department. It is further AGREED that Respondents shall not apply to the Department for any
6 license for a period of seven (7) years from the entry of this Consent Order.

7 **D. Fine.** It is AGREED that, should Respondents apply to the Department for any license at any time after
8 seven (7) years from the date of entry of this Consent Order, Respondents shall pay to the Department a fine of
9 \$20,250.00 for failing to file annual reports relating to Respondents' consumer lending activity for the years 2000, 2001
10 and 2002, failing to make timely payment of annual assessments relating to Respondents' consumer lending activity for
11 the years 2000, 2001 and 2002, failing to make timely payment of an examination fee, failing to notify the Director of
12 change in business address, and failing to maintain a surety bond with the Director, calculated at \$75 per statutory
13 violation per day, for 30 days.

14 **E. Annual Assessments.** It is AGREED that Respondents have delinquenty provided the Department with
15 Annual Assessment Worksheets and Consolidated Annual Reports for the years ended December 31, 2000, 2001 and
16 2002, respectively. It is further AGREED that Respondents have certified that these Annual Assessment Worksheets
17 and Consolidated Annual Reports are correct, complete and free of any misrepresentations or omissions of material
18 facts, under penalty of perjury. It is further AGREED that Respondents shall pay to the Department the cumulative
19 delinquent annual assessments through December 31, 2002 totaling \$360.35 (\$200.63 for the year ended December 31,
20 2000, \$134.49 for the year ended December 31, 2001, and \$25.23 for the year ended December 31, 2002), as
21 calculated on these Annual Assessment Worksheets and Consolidated Annual Reports, in accordance with the payment
22 schedule in Item I of this order.

23 **F. Supporting Documentation for Annual Assessments:** It is AGREED that Respondents have failed to
24 provide the Department with required supporting documentation for the Annual Assessment Worksheets and

1 Consolidated Annual Reports for the years ended December 31, 2000, 2001 and 2002, respectively, discussed in Item
2 E. It is further AGREED that Respondents shall provide such supporting documentation by the close of business
3 Thursday, April 15, 2004.

4 **G. Examination Fee.** It is AGREED that Respondents shall pay to the Department an examination fee of
5 \$1,107.59, calculated at \$66.81 per hour for fourteen and a half (14.5) staff hours devoted to the examination, plus
6 interest calculated at 12.00% per annum from the date payment was due (December 20, 2002) through February 29,
7 2004, in accordance with the payment schedule in Item I of this order.

8 **H. Investigation Fee.** It is AGREED that Respondents shall pay to the Department an investigation fee of
9 \$1,725.25, calculated at \$69.01 per hour for twenty-five (25) staff hours devoted to the investigation, in accordance
10 with the payment schedule in Item I of this order.

11 **I. Payment Schedule.** It is AGREED that Respondents shall pay \$3,193.19 to the Department for the
12 annual assessments discussed in Item E above, examination fee discussed in Item G above, and investigation fee
13 discussed in Item H above, pursuant to the following payment schedule:

14 \$1,193.19 due by close of business Thursday, April 15, 2004
15 \$1,000.00 due by close of business Monday, May 17, 2004
16 \$1,000.00 due by close of business Tuesday, June 15, 2004

17 **J. Compliance with the Law.** It is AGREED that Respondents shall comply with the Consumer Loan Act
18 and the rules adopted thereunder, particularly, the provisions relating to maintenance of records. It is further AGREED
19 that Respondents have provided the Department with a fully completed "Consumer Loan Office Closure Form" which,
20 among other things, indicates the Respondents' consumer loan business was closed effective April 1, 2002 and the
21 current location of its records as:

22 26700 SE Samuels Rd
23 Eagle Creek, Oregon, 97022

24 **K. Non-Compliance with Order.** It is AGREED that Respondents understand that failure to abide by
25 the terms and conditions of this Consent Order may result in further legal action by the Director. In the event of

1 such legal action, Respondents may be responsible to reimburse the Director for the cost incurred in pursuing
2 such action, including but not limited to, attorney fees.

3 **L. Authority to Execute Order.** It is AGREED that the undersigned have represented and warranted that
4 they have the full power and right to execute this Consent Order on behalf of the parties represented.

5 **M. Voluntarily Entered.** It is AGREED that the undersigned Respondents have voluntarily entered into this
6 Consent Order, which is effective when signed by the Director's designee.

7 **N. Completely Read, Understood, and Agreed.** It is AGREED that Respondents have read this Consent
8 Order in its entirety and fully understand and agree to all of the same.

9 **RESPONDENTS:**

10 **Valentine Lender Services, Inc.**

11 By:

12 /s/
13 Michael Silbernagel
14 President and Owner

3/29/04
Date

14 /s/
15 Michael Silbernagel, Individually

3/29/04
Date

16 /s/
17 Chris Ambrose
18 Attorney At Law
19 Ambrose Law Group
20 Attorney for Respondents

3/29/04
Date

21 THIS ORDER ENTERED THIS 2nd DAY OF April, 2004.

22
23 /s/
24 Chuck Cross, Acting Division Director
25 Division of Consumer Services
Department of Financial Institutions